

## *Spotlight* **Marian Harrison**

Since Marian Harrison retired 13 years ago, she's had few free hours in her day. And that's just how she likes it. "I volunteer, or I am volunteered, for everything!" she says with a grin.

Harrison lends her time and expertise to several community organizations, including the Snohomish County Health and Safety Network, the League of Women Voters and the Snohomish County Children's Commission.

She serves a key role on the DRS Employee Retirement Benefits Board (ERBB), representing retired School Employees' Retirement System members. At the quarterly ERBB meetings, she listens to presentations on topics that include fund investment performance and pension legislation, asks "lots of questions" and then takes the information back to members for discussion.

Harrison is also one of twelve retired and active members who serve on the DRS Advisory Committee, advising the director on retirement administrative issues.

A longtime employee of the Arlington School District before her retirement, Harrison is the mother of seven children and the grandmother of 11. Despite her active schedule, the self-described "baseball nut" finds time to indulge her passion for Mariners games and the symphony.

She urges fellow retirees to "stay involved!" a sentiment supported by advocates of healthy aging. Studies link volunteerism with improved health. ■



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*Retirement Outlook* is published by the Washington State Department of Retirement Systems. The agency administers the following retirement systems for public employees throughout Washington State:

- Public Employees' Retirement System (PERS)
- Teachers' Retirement System (TRS)
- School Employees' Retirement System (SERS)
- Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF)
- Washington State Patrol Retirement System (WSPRS)
- Judicial Retirement System (JRS)
- Judges' Retirement Fund

DRS also administers the Deferred Compensation and Dependent Care Assistance Programs.

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*Retirement Outlook* is available to members in alternate formats. For more information contact the editor at (360) 664-7097.

## 2004 Legislative Update

Following is an overview of significant pension-related bills passed by the 2004 Washington State Legislature and signed by Governor Gary Locke.

The DRS Web site contains additional information on each of the bills mentioned in this newsletter. Visit: [www.drs.wa.gov](http://www.drs.wa.gov) and click on "Legislation."

### Minimum Benefit for PERS and TRS Plan 1 Retirees

The Legislature established a minimum benefit for Public Employees' Retirement System Plan 1 and Teachers' Retirement System Plan 1 retirees who:

- Have at least 25 years of service credit; and
- Have been retired for at least 20 years; and
- Whose current retirement benefit, including Cost-Of-Living Adjustments (COLAs), is below the minimum.

Survivors of retirees whose accounts meet each of these requirements also qualify for the new benefit.

It's important to note that while \$1,000 is identified in the legislation as the minimum benefit, any adjustments made at the time of retirement, such as a survivor benefit option or an annuity withdrawal, will reduce the minimum benefit amount.

Retirees and survivors who qualify for the new benefit as of July 1, 2004 will be notified by letter, and see a benefit adjustment, by the end of July. Any accounts that meet the requirements in subsequent months will begin receiving the new benefit automatically.

The new benefit is paid until the original benefit, plus COLAs, exceeds the new benefit. At that time, DRS will use the original benefit formula. An example of a minimum benefit calculation is shown on the next page.

### **Example of a Minimum Benefit calculation for PERS and TRS Plan 1 retirees**

Mary retired in 1978 with 25 years of service credit and an Average Final Compensation (AFC) of \$750. She selected a 50% benefit option for her survivor.

Here's how her original benefit was determined:

$2\% \times \$750 \text{ AFC} \times 25 \text{ years of service credit} \times .87$   
(reduction for survivor benefit) = \$326.25

Mary's original benefit is \$326.25. Mary has received annual COLAs totaling \$480, increasing her current benefit to \$806.25 (\$326.25 + \$480).

To determine Mary's eligibility for the new minimum benefit, the reduction factor for the survivor option she chose (.87) would be multiplied by \$1,000. Her adjusted minimum benefit would be \$1,000 x .87, or \$870. Since her current benefit (\$806.25) is less than \$870, Mary's monthly benefit would increase to \$870.

Once the amount of Mary's original benefit, plus COLAs, becomes greater than the amount of the new minimum benefit, her original benefit, plus COLAs, will apply.

### **LEOFF Plan 2 Member Benefits**

House Bill 2418 applies to members of the Law Enforcement Officers' and Fire Fighters' (LEOFF) Retirement System Plan 2 who leave employment because of a duty-related disability.

Qualifying members may be entitled to additional benefits and/or a portion of their benefits may not be subject to federal income tax.

## **Creation of Public Safety Employees' Retirement System**

The Legislature created a new retirement system for public safety employees in specific job classes. City, county and state correctional officers, park rangers and liquor enforcement officers are among the job classes eligible for membership in the new system, which takes effect July 2006. ■

## **SCPP Studying Pension Issues**

The Select Committee on Pension Policy (SCPP) is actively studying pension issues before the 2005 legislative session begins.

Several issues of interest to retirees will be examined, including the adequacy of pension benefits, post-retirement employment, gain sharing and recovery of lost purchasing power.

Retiree members of the SCPP play a key role in these discussions. DRS Director John Charles recently recognized the efforts of TRS retiree and SCPP member Elaine M. Banks. "Without her work, there may not have been legislation to provide a minimum level of benefit to TRS and PERS Plan 1 retirees," Charles said. "She brought the issue to the table and strongly advocated for it. This is an important step in providing increased benefits to those who have been retired for 20 years or more."

For more information on the SCPP, contact the Office of the State Actuary at (360) 753-9144 or visit: <http://osa.leg.wa.gov>. ■

The Department of Health has launched a new Web site: "Steps to Healthy Aging."

Find tips on staying healthy, active and independent at: [www.doh.wa.gov/cfh/OHP/stepstohealthyaging.htm](http://www.doh.wa.gov/cfh/OHP/stepstohealthyaging.htm).

# DRS Receives Eighth Consecutive Clean Audit



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June 1, 2004

John Charles, Director  
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Dear Mr. Charles: *John*

Congratulations on obtaining a clean audit report for the 2003 fiscal year. This is a significant achievement considering this is your agency's eighth consecutive audit without findings.

This outstanding record is indicative of management's interest in compliance with laws and regulations applicable to your agency. A willingness to work in partnership with our auditors to address any potential weaknesses or compliance problems is always beneficial. I appreciate the assistance and cooperation your personnel provided to our staff during the audit period.

It is important to give special recognition to agencies that consistently exhibit a commitment to solid accounting practices and systems of internal control. Again, please accept my congratulations on your sound record.

Sincerely,

  
BRIAN SONNTAG, CGFM  
STATE AUDITOR

## Social Security Survivor Benefits

A retiree suggested we include a short article on the Social Security survivor benefit in *Retirement Outlook*. Many people, she said, may not know about the benefit.

According to the Social Security Administration, when a person who has paid Social Security taxes passes away, the widow or widower may be eligible for survivor benefits.

There is a required length of time the individual must have been employed, as well as other factors that can affect payment of the benefit.

Social Security survivor benefits may be paid to:

- A widow/widower — full benefits at retirement age (currently age 65), or reduced benefits as early as age 60
- A disabled widow/widower — as early as age 50
- A widow/widower of any age if he or she cares for a child of the deceased who is under age 16 or disabled and receiving Social Security benefits

For more information, please call the Social Security Administration's toll-free number at 1-800-772-1213 or visit the agency's Web site at: [www.socialsecurity.gov](http://www.socialsecurity.gov). ■

## Health insurance questions? Be sure to contact the Health Care Authority

The state Health Care Authority (HCA) administers health care benefits for both active and retired state employees.

Though DRS deducts insurance premiums from your monthly retirement benefit, the HCA makes all decisions on plan coverage. If you have questions, please contact the HCA at 1-800-200-1004 or (360) 412-4200 in the Olympia area.



Also, be sure to update your address with both agencies in the event you move. To update your address with HCA, dial the number listed above. To update your address with DRS, dial 1-800-547-6657 or (360) 664-7000 in the Olympia area. ■

## Mailing label change saves money

A retiree wrote to point out that she and her husband each receive a copy of *Retirement Outlook*. DRS could save money on print and mailing costs, she suggested, if we eliminated duplicate mailings of the newsletter to the same address.

An analysis of our mailing labels showed that more than 3,000 households receive duplicate copies. With this edition of *Retirement Outlook*, we've changed the label generating process to ensure that each household receives only one copy.

Using every dollar wisely is a priority at DRS. Thanks for the suggestion! ■

Have an article suggestion for *Retirement Outlook*?  
E-mail the editor at [communications@drs.wa.gov](mailto:communications@drs.wa.gov).

## Retirement Benefit Disbursement Schedule

To the right is a schedule of the dates your monthly retirement benefit will be mailed or electronically deposited in your account. *Please note:* If you recently signed up for direct deposit or made a change to your account, a warrant (check) may temporarily be mailed to your financial institution.

Signing up for electronic deposit is easy. If you're interested, just complete the Authorization for Direct Deposit form available on our Web site at: [www.drs.wa.gov](http://www.drs.wa.gov) or call us at 1-800-547-6657 to have the form mailed to you. ■

### Electronic Deposit Dates July - December 2004

July	Friday	July 30
August	Tuesday	August 31
September	Thursday	September 30
October	Friday	October 29
November	Tuesday	November 30
December	Friday	December 31

### Check Mailing Dates July - December 2004

July	Wednesday	July 28
August	Friday	August 27
September	Monday	September 27
October	Wednesday	October 27
November	Wednesday	November 24
December	Tuesday	December 28